

REMARKS

The Examiner rejected claims 22, 62, 65, 105, and 136 under 35 U.S.C. § 112, 1st ¶, as allegedly failing to comply with the enablement requirement.

The Examiner rejected claims 1-21, 26-34, 37, 41-61, 66-74, 77, 93-104, 109-117, 120, 124-135, 140-148, 151, and 155-159 under 35 U.S.C. § 103(a) as allegedly being unpatentable over Weiss (U.S. Patent No. 6,511,377 B1).

The Examiner rejected claims 22-25, 35-36, 38-40, 62-65, 75-76, 78-80, 105-108, 118-119, 121-123, 136-139, 149-150, 152-154, and 160-164 under 35 U.S.C. § 103(a) as allegedly being unpatentable over Weiss (U.S. Patent No. 6,511,377 B1) and further in view of Walker (U.S. Patent App. 2003/0060276).

Applicants respectfully traverse the § 112, 1st ¶ and § 103 rejections with the following arguments.

35 U.S.C. § 112, 1st ¶

The Examiner rejected claims 22, 62, 65, 105, and 136 under 35 U.S.C. § 112, 1st ¶, as allegedly failing to comply with the enablement requirement.

Applicants respectfully contend that the instant specification complies with the enablement requirement under § 112, 1st ¶. The Examiner alleges that the claims “contain subject matter, which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, to which it is most nearly connected, to make and/or use the invention” (page 3). Specifically, the Examiner asserts that claim language, “adapted to guarantee that the player cannot lose,” yet the game is of an uncertain outcome, are contradictory terms. To overcome the enablement rejections alleged by the Examiner, Applicants respectfully cite specific portions of the instant specification which enable one skilled in the art to practice the invention without undue experimentation. The excerpts cited *infra* demonstrate that the claim language cited by the Examiner does not contain contradictory terms.

It is well established law that an Applicant can be his or her own lexicographer. Furthermore, the specification should also be relied on for more than just explicit lexicography or clear disavowal of claim scope to determine the meaning of a claim term when applicant acts as his or her own lexicographer; the meaning of a particular claim term may be defined by implication, that is, according to the usage of the term in the context in the specification. See Phillips v. AWH Corp., 415 F.3d 1303, 75 USPQ2d 1321 (Fed. Cir. 2005) (en banc); and Vitronics Corp. v. Conceptronic Inc., 39 USPQ2d 1573, 1577 (Fed. Cir. 1996). Here, the Examiner misconstrues the meaning of “takehome” by mistakenly associating it with the result the player finishes with after playing one game of uncertain outcome. The specification teaches otherwise,

“The term “takehome” denotes *a net amount* (e.g., C and S combined) for each dollar bet that the winning player takes away after any house commission has been deducted from the payout or separately paid by the winner. Generally, *“takehome” is the actual amount of currency received from the game after subtracting all commissions, fees and payments owed to a player from entering and playing the game* (see *infra* for a formal definition of “entering”). For example, if a player bets one dollar and wins, and if for the dollar bet the cash payout is 90 cents, the house cash commission is 5 cents, the scrip payout is 20 cents, and the house scrip commission is 1 cent, then the winner actually receives a takehome (after house commissions have been deducted or paid) of 85 cents in cash and 19 cents in relevant scrip” (page 7, ln.2-11). (Emphasis Added)

Currently, claim 22 reads, in pertinent part, “the house is adapted to guarantee that *in the takehome* the player cannot lose...” Claims 62, 105, and 136 also include similar language denoting that *in the takehome* the player cannot lose. Because the takehome is “the actual amount of the currency received from the game of uncertain outcome *owed to the player from entering the game* of uncertain outcome,” the player cannot lose more than P percentage of the player’s initial betting capital in a single game of uncertain outcome, and that the *takehome* of the player’s *initial betting capital must increase* by at least Q percent, and wherein Q>0, wherein the value of scrip is adjustable by the house to provide the increase by at least Q percent (page 28, ln.14-15). Moreover, “entering” is defined as “performing an entrance into the activity,” wherein “entrance in relation to an activity occurs when a subject becomes a participant in the activity. Examples of an entrance include, *inter alia*, a placing of a bet, a payment of a fee, an action such as an action that satisfies one or more criteria” (page 29, ln.4-8). One having skill in the art could play a game of uncertain outcome (e.g. blackjack) and lose more than one ‘hand,’ yet not lose in the takehome because the currency received from the game

of uncertain outcome *owed to the player from entering the game of uncertain outcome*” *Id.*

Therefore, according to the usage of the term “takehome” in the context throughout the specification, one having ordinary skill in the art would not conclude that claims 22, 62, 65, 105, and 125 contain contradictory terms.

Furthermore, the Examiner argues “[t]o say that a game has a 101% payback is not the same as guaranteeing that players will win every time” (page 2). Conversely, the claim limitations do not require a player win every single game. Independent claim 1 reads “A entrance-exchange structure, comprising: at least one player’s initial betting capital; scrip; and a game of uncertain outcome adapted to be played by at least one player, wherein a house is adapted to pay a player of the at least one player a takehome in a currency for a win of the game of uncertain outcome by the player based on betting by the player of the at least one player’s initial betting capital, wherein the currency is selected from the group consisting of cash plus scrip and scrip further wherein the takehome is the actual amount of the currency received from the game of uncertain outcome owed to the player from entering the game of uncertain outcome. The specification continues to enable one skilled in the art by teaching that “C and S do not represent a takehome in an individual game, *since a player of the game does not necessarily win each game that the player participates in*” (page 8, ln.20-21). One having ordinary skill in the art is further enabled by the following example,

“As an example, assume that P has a constant value of 0.10, and that a winner receives a takehome of \$8 in cash and 2.50 in relevant scrip units for each \$1 bet in each game that the player actually wins. If the player starts playing with betting capital of \$1000 and bets \$100 in each game, then on the average the player will win 1 out of 10 games played and when the player wins, the player will receive \$800 in cash and 250 units of relevant scrip as a return on the \$100 winning bet. *In the 10 games played, on the average the player will lose \$900 in*

the 9 of the 10 games and will win \$800 in cash and 250 units of relevant scrip in 1 of the 10 games. In this example, C=0.80 and S=0.25 based on the 9 losing games and on the 1 winning game for the cumulative \$1000 of money bet in the 10 games (i.e., C=800/1000 and S=250/1000) (page 9, ln.6-15). (Emphasis Added)

Thus, one having skill in the art does not need to win every game participated in to avoid losing in the takehome. The Examiner's argument that the claim limitations guarantee "that players will win every time" (*referring to the necessity of winning each single game of uncertain outcome*) is in stark contradiction with the limitations of the claims and the instant specification. Therefore, the claimed invention enables one having ordinary skill in the art to practice the invention without undue experimentation because the claim limitations "adapted to guarantee that in the takehome the player cannot lose," yet the game is of an uncertain outcome *are not contradictory* terms.

Additionally, in the takehome the player cannot lose because of the cash-to-scrip exchange mechanism, which can convert scrip into cash. To further show that the claim limitations are not contradictory, Applicants respectfully draw the Examiner's attention to the following example:

"...this mathematical model is equivalent to the more general case in which the probability of winning an individual game is less than or equal to 1. Each such game may be viewed as an iteration of a mathematical sequence, as follows. Assuming that the player *starts betting with \$1000* and bets with the available dollars of rebettable currency at each iteration, *the player will bet the \$1000 at the first iteration and receive a return of \$800 in cash and 250v of relevant scrip*, since $0.80 \times 1000 = 800$ and $0.25 \times 1000 = 250$...The iterations form a geometrical series which converges to the result of zero dollars of cash and 1250v units of relevant scrip. Generally, if the player starts betting with D dollars of cash (D = \$1000 in the preceding example) and bets in accordance with the

geometric series described *supra*, then the player will end up with zero dollars of cash and DxL units of relevant scrip, wherein L is called a “limiting scrip takehome” and is calculated according to $L = S/(1-C)$ if C/S is constant. Thus in the preceding example of sequential betting, $L = 1.25$ (i.e., $0.25/(1-0.80)$) and $DxL = 1250v$ (i.e., 1000×1.25). Thus, *the preceding example illustrates that the expected return to the player (i.e., 1250v relevant scrip) may exceed the initial betting capital of the player (i.e., \$1000) depending on the exchange rate between cash and scrip*” (page 10, ln.4-22). (Emphasis Added)

The specification teaches the conversion of scrip to cash as follows”

“*The player can redeem the relevant scrip at any vendor that exists* (e.g., an outside vendor that exists or a house vendor that exists). An outside vendor may permit the holder of the relevant scrip to use the relevant scrip to purchase items offered for sale by the outside vendor at a scrip-to-items exchange rate E^{S-1} , wherein E^{S-1} is a dollar value of 1 unit of relevant scrip when the relevant scrip is used to purchase items offered for sale by the outside vendor at retail value (e.g., at a market price that a willing buyer would pay for the item(s)). As a first example, if $E^{S-1} = 1.10$ at a given outside vendor then the 1250v of relevant scrip has a dollar value of \$1375 (i.e., 1.10×1250) for purchasing items offered for sale by the given outside vendor” (page 11, ln.10-18). (Emphasis Added)

Therefore, in the takehome, the player cannot lose more than P percent of the player’s initial betting capital and the *takehome* of the player’s *initial betting capital must increase* by at least Q percent because the actual amount of currency received from the game after subtracting all commissions, fees and payments *owed to a player from entering* and playing by allowing conversion of scrip to cash equivalent to P percent of the player’s initial betting capital.

Applicant respectfully requests reconsideration and removal of the § 112, 1st ¶ rejection because the specification does comply with the enablement requirement due to the lack of contradictory claim language, as supported by the instant specification. Furthermore, the claims have been amended to more particularly point out and distinctly claim the subject matter.

35 U.S.C. § 103(a)

The Examiner rejected claims 1-21, 26-34, 37, 41-61, 66-74, 77, 93-104, 109-117, 120, 124-135, 140-148, 151, and 155-159 under 35 U.S.C. § 103(a) as allegedly being unpatentable over Weiss (U.S. Patent No. 6,511,377 B1).

Applicants respectfully contend that claims 1-21, 26-34, 37, 41-61, 66-74, 77, 93-104, 109-117, 120, 124-135, 140-148, 151, and 155-159 are non-obvious and patentable over Weiss because it does not teach, disclose, or suggest each and every element of the claims. For example, Weiss discloses a cashless gaming system, wherein the casino may reward the player with complimentary bonus points that are redeemable at casino vendors. Weiss does not disclose an entrance-exchange structure and method, wherein the house is adapted to *guarantee* that the takehome of the player's *initial betting capital must increase* by at least Q percent, and wherein Q>0, wherein the value of scrip is adjustable by the house to provide the increase by at least Q percent, wherein the takehome is the actual amount of the currency received from the game of uncertain outcome *owed to the player from entering* the game of uncertain outcome. In contrast with the limitations of the instant claims, the bonus points in Weiss are *optionally awarded at the house's discretion* based upon criteria such as average bet, duration of gaming, frequency of playing, etc. Specifically, Weiss teaches that “[a]fter the player has finished, the *pit personnel enters rating information* into the player tracking system. Thus, points and complimentary dollars are *accumulated based on player skill ratings, play time, game speed, average bets or other criteria*” (col.4 ln.48-52) (Emphasis Added). In addition, Weiss does not disclose “the winner receiv[ing] an *expected* net payoff of C dollars of cash and S units of relevant scrip for each dollar bet such that $0 \leq C \leq 1$ and $S > 0$ ” (page 6, ln.13-14). The complimentary points/dollars in Weiss are neither an expectation nor a guarantee; the player could still lose in the takehome.

Therefore, claims 1-21, 26-34, 37, 41-61, 66-74, 77, 93-104, 109-117, 120, 124-135, 140-148, 151, and 155-159 are non-obvious because Weiss does not teach, disclose, or suggest each and every element of the claims.

Furthermore, one skilled in the art would simply not apply the teachings of the claimed invention to the Weiss reference because it would frustrate the purpose of Weiss. If a proposed modification (guaranteeing that a player's initial capital must increase in the takehome) would render the prior art invention (Weiss) being modified unsatisfactory for its intended purpose (providing a cashless gaming system), then there is no suggestion or motivation to make the proposed modification. *In re Gordon*, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984) Almost all of the objects of the invention listed in Weiss' specification define the purpose of Weiss as to provide a cashless gaming system, not to provide a structure or method "wherein the house is adapted to guarantee that the takehome of the *player's initial betting capital must increase* by at least Q percent, and wherein Q>0, wherein the value of scrip is adjustable by the house to provide the increase by at least Q percent." Furthermore, the claim limitations disclose an entrance-exchange method or structure wherein the *game of uncertain outcome is adapted to guarantee that in the takehome the player cannot lose* through sequential betting by the player when the game of uncertain outcome is played by the player, wherein the takehome to the player from the house is adapted to provide the player with *an expected takehome of C dollars of cash and S units of scrip for each dollar bet* such that $0 \leq C < 1$ and $S > 0$. In Weiss, the player can still lose in the takehome. The house has an option to award bonus points which may sometimes result in a player not losing money based on cash earned and complimentary bonus points. However, there is no method or structure disclosed in Weiss that would result in a player never losing in the takehome. Thus, the intended purpose of Weiss becomes unsatisfactory, and

provides no suggestion or motivation with respect to the claim limitations. Therefore, the claimed invention is not obvious in view of Weiss.

Applicants respectfully request reconsideration and removal of the obviousness rejection because Weiss fails to disclose each and every element of the claim limitations. Furthermore the claims have been amended to more particularly point out and distinctly claim the subject matter.

The Examiner rejected claims 22-25, 35-36, 38-40, 62-65, 75-76, 78-80, 105-108, 118-119, 121-123, 136-139, 149-150, 152-154, and 160-164 under 35 U.S.C. § 103(a) as allegedly being unpatentable over Weiss (U.S. Patent No. 6,511,377 B1) and further in view of Walker (U.S. Patent App. 2003/0060276).

Applicants respectfully contend that claims 22-25, 35-36, 38-40, 62-65, 75-76, 78-80, 105-108, 118-119, 121-123, 136-139, 149-150, 152-154, and 160-164 are non-obvious and patentable over Weiss and further in view of Walker '276 because the references do not teach, disclose, or suggest each and every element of the claims. For example, Weiss further in view of Walker '276 does not disclose an entrance-exchange structure and method, involving *a game of uncertain outcome*, wherein the house is adapted to *guarantee* that the *takehome* of the player's *initial betting capital must increase* by at least Q percent, and wherein Q>0, wherein the value of scrip is adjustable by the house to provide the increase by at least Q percent, wherein the *takehome* is the actual amount of the currency received from the game of *uncertain outcome* owed to the player from entering the game of *uncertain outcome*. In addition, Weiss further in view of Walker '276 does not disclose an entrance-exchange method or structure wherein the *game of uncertain outcome is adapted to guarantee that in the takehome the player cannot lose* through sequential betting by the player when the *game of uncertain outcome* is played by the player, wherein the *takehome* to the player from the house is adapted to provide the player

with *an expected takehome of C dollars of cash and S units of scrip for each dollar bet* such that $0 \leq C < 1$ and $S > 0$. The Examiner asserts that Weiss discloses all of the limitations of the claimed invention except guaranteeing a victory to the player, and Walker '276 discloses that missing element. Walker '276 discloses a method of guaranteeing a win for a player, but differs from the claimed invention because, in Weiss, a player *will win every single game* played after a target outcome is received. The instant claims teach that "in the takehome" the player cannot lose and that "*a player of the game does not necessarily win each game that the player participates in*" (page 8, ln.20-21). The claimed invention is in stark contradistinction with Walker '276 because the reference discloses that the player wins every single game participated in. Therefore, one skilled in the art would not be motivated to combine the teachings of Walker '276 with the claimed invention.

Furthermore, the claim limitations disclose a game of uncertainty (i.e. a player does not know or choose the outcome of each game). *Walker '276 actually teaches away from a game of uncertainty because the player chooses the outcome*; the player actually decides the outcome of a single game. For example, Walker '276 discloses in FIG 6 that the player initially designates a target outcome (e.g. cherry-cherry-cherry). Then, a primary outcome is displayed (e.g. cherry-cherry-lemon). Finally, a computer, or any capable device, adjusts and displays a secondary outcome until the target outcome is reached (e.g. cherry-cherry-cherry). In FIG 7, Walker '276 has a computer device select a target outcome, and then repeats similar steps from FIG 6. Unlike the claimed invention, Walker '276 completely eliminates the "satisfaction from the excitement of playing and from not knowing in advance whether the player will win or lose" (page 1, ln.10-11). The instant claims disclose providing the player with *an expected takehome* of C dollars of cash and S units of scrip for each dollar bet, but *do not allow the player or a computer device to*

choose the target outcome. One having ordinary skill in the art would simply not be motivated to combine the teachings of Walker '276 with the claimed invention. Therefore, Weiss further in view of Walker '276 fail to disclose each and every element of the claim limitations, and to an extent teach away from some elements.

Moreover, if the proposed modification or combination of the prior art would change the principle of operation of the prior art invention being modified, then the teachings of the references are not sufficient to render the claims *prima facie* obvious. In re Ratti, 270 F.2d 810, 123 USPQ 349 (CCPA 1959) *If one having ordinary skill in the art combined the teachings of the claim limitations with Weiss further in view of Walker '276, the principle of operations would be changed.* Guaranteeing that the takehome of the player's initial betting capital must increase by at least Q percent and that the in the takehome the player cannot lose in a game of uncertain outcome represents a change in the basic principle under which Weiss and Walker '276 were designed to operate. Thus, the combination of the cited references are not sufficient to render the claims *prima facie* obvious.

Applicants respectfully request reconsideration and removal of the obviousness rejection because Weiss further in view of Walker '276 fails to disclose each and every element of the claim limitations.

CONCLUSION

Based on the preceding arguments, Applicants respectfully believe that all pending claims and the entire application meet the acceptance criteria for allowance and therefore request favorable action. If the Examiner believes that anything further would be helpful to place the application in better condition for allowance, Applicants invites the Examiner to contact Applicants' representative at the telephone number listed below. The Director is hereby authorized to charge and/or credit Deposit Account 19-0513.

Date: August 19, 2008

/Arlen L. Olsen/

Arlen L. Olsen
Registration No. 37,543
Customer No. 05409

Schmeiser, Olsen & Watts
22 Century Hill Drive, Suite 302
Latham, New York 12110
Telephone (518) 220-1850
Facsimile (518) 220-1857
E-mail: aolsen@iplawusa.com